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RUEHNO/USMISSION USNATO PRIORITY

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C O N F I D E N T I A L SECTION 01 OF 02 SARAJEVO 000129

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DEPT FOR EUR (DICARLO), EUR/SCE (HOH, SILBERSTEIN, FOOKS, STINCHCOMB), EUR/RPM
DEFENSE FOR FATA AND BEIN
NSC FOR BRAUN
USNIC FOR WIGHTMAN

E.O. 12958: DECL: 01/24/2018 TAGS: PREL PGOV MARR BK SUBJECT: BOSNIA- AMBASSADOR AN

SUBJECT: BOSNIA- AMBASSADOR AND NATO HQ PUSH MOVABLE DEFENSE PROPERTY ISSUES WITH RADMANOVIC AND SPIRIC

REF: A. 07 SARAJEVO 2632

¶B. 07 SARAJEVO 2586

SARAJEVO 00000129 001.3 OF 002

Classified By: Ambassador Charles English for reasons 1.4 (b) and (d)

SUMMARY

11. (C) On January 23, the Ambassador, NATO HQ Sarajevo Commander US MG Wightman, and NATO POLAD met with President Nebojsa Radmanovic and Prime Minister Spiric to stress the importance of resolving movable defense property issues in the near-term. In particular, the Ambassador told Radmanovic and Spiric that RS proposals to maintain entity ownership over surplus arms and ammunition were unacceptable because "they threatened a safe and secure environment in Bosnia.' Radmanovic and Spiric were also told that failure to resolve movable defense property along those lines would derail Bosnia's ambitous agenda for the NATO Bucharest Summit. Both Radmanovic and Spiric said they supported the principles outlined by the Ambassador and the NATO HQ leadership and would engage on the matter with Republika Srpska (RS) Prime Minister Milorad Dodik to push the conclusion of the agreement. Though we welcome their assurances, we doubt either Radmanovic or Spiric can deliver Dodik's support if he is inclined to continue his obstructionist position on the issue. End Summary.

NATO HQ PRESENTS NEW MOD PLAN

12. (C) On January 23, the Ambassador, NATO HQ Sarajevo Commander US MG Wightman, and NATO POLAD met separately

Commander US MG Wightman, and NATO POLAD met separately with the highest-level Bosnian Serb officials in state institutions, President Nebojsa Radmanovic and Prime Minister Nikola Spiric, to push a resolution of movable defense property issues in advance of NATO's Bucharest Summit. Discussions between NATO, state representatives and the entities have reached an impasse over RS proposals to maintain entity ownership of surplus stocks of arms and ammunition (reftel). The NATO HQ representatives presented

Radmanovic and Spiric the new Ministry of Defense draft agreement on movable property, which stipulated that the state take ownership of all arms, ammunition and explosives as provided for in the July 2007 political agreement signed by Spiric and the two entity prime ministers.

AMBASSADOR: ALL ARMS AND AMMUNITION TO THE STATE

 $\underline{\ \ }$ (C) The Ambassador told both Radmanovic and Spiric that it was "of vital importance" to the United States that the provisions of the July 2007 agreement were respected and that failure to fully transfer all arms and ammunition to the state posed a threat to "a safe and secure environment in Bosnia." The Ambassador stated that the MOD draft agreement respected entity financial interests in its revenue sharing provisions for future arms and ammunition sales, adding the agreement should be clearly viewed as a "win" for all parties -- the state, entities, and the international community. He further reminded both men that a failure to resolve the movable property issues would be negatively viewed by NATO allies at the Bucharest Summit and would needlessly derail Bosnia's ambitous agenda for further alliance integration. The Ambassador encouraged Radmanovic and Spiric to address the issue with other political leaders, particularly RS Prime Minister Dodik, and advocate for a resolution of the matter in the near-term, well in advance of Bucharest.

RADMANOVIC: "NO PROBLEM" WITH PROPERTY TRANSFER

14. (C) President Radmanovic told the Ambassador and NATO officials that "getting some form of invitation" out of Bucharest was of paramount importance to Bosnia. He said that all state and entity officials had to realize that further Euro-Atlantic integration required that they at times

SARAJEVO 00000129 002.3 OF 002

"did things that they did not want," and resolving movable defense property should not be so contentious as to derail the process. Radmanovic stated that he fully supported the July political agreement, and noted he had "no problem with all property being transferred to the MOD and state." Radmanovic said the key was ensuring enough transparency in the sale of arms and ammunition so that the entities would be involved in the process, and guaranteeing that a complete inventory of defense property was produced that prohibited the entities from holding back certain items. (Note. The RS leadership and other senior officials have previously asserted to us that the Federation is hiding stockpiles of arms and ammunition to prevent them from being transferred to the state. End Note.)

15. (C) After initially pledging to try to resolve the issue with Dodik in "two days," Radmanovic said that he would immediately address the property concerns upon his arrival in Banja Luka the following day. Radmanovic stressed that the Ambassador could "count on" him to do his utmost to move the matter to a mutually beneficial conclusion in the near-term. He also urged NATO to not back away from resolving the immovable property issues as soon as possible. Radmanovic also cautioned that the Federation leadership and Presidents Komsic and Silajdzic needed to be brought in line, as their "misinformed views" on the property issues could hinder an agreement. (Note. The Ambassador and NATO HQ leadership will meet with Komsic and Silajdzic on January 24 and Federation Prime Minister Brankovic January 28 to discuss the issue and enlist their support for the MOD draft plan. End Note.)

SPIRIC: I AGREE, BUT WHAT CAN I DO?

16. (C) For his part, Spiric stressed that, from his perspective as a signatory to the July political agreement, it was clear that all arms and ammunition had to be transferred to the state. Spiric said the failure of the entities to immediately move to implement the political agreement created a public safety threat, as the Ministry of Defense could not move to destroy excess stocks of arms and ammunition until the property issues were resolved. Spiric cast blame for the failure to conclude the transfer agreement on all sides, agreeing that "Banja Luka" had played an obstructionist role but saying that Silajdzic and Party for Democratic Action (SDA) President Sulejman Tihic had also worked to block an agreement. Spiric also pledged to engage directly with the key leaders, but told the Ambassador to play a leading role in securing an agreement as "his (the Ambassador's) power to convince is greater" than his own.

COMMENT: ONLY DODIK CAN DELIVER DODIK

¶7. (C) Radmanovic's and Spiric's comments on movable defense property were certainly welcome. They both were well-versed in the issue, and seemed to unequivocally commit to our bottom line: all arms and ammunition had to be transferred to the state. During the Fall 2007 political crisis and current impasse over the state budget, both Radmanovic and Spiric also pledged to act as a moderating influence on Dodik, but were unable (or unwilling) to shift Dodik's positions. Given this, we take their assurances on movable defense property with a grain of salt. We doubt that they will be able to deliver an acceptable agreement if the RS Prime Minister elects to continue his obstructionist position on the issue. End Comment.